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OBSTACLES TO TRADE IN FRUITS AND VEGETABLES

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Before the Agricultural Session of Federal-State Conference on War Restrictions, May 7, 1942. Department of Commerce Auditorium

Any law or regulation which tends to interfere with the free movement of fruits and vegetables in interstate commerce and thereby affects the food supply of the people may be said to interfere with our war program. There are many such State laws or regulations relating to the standardization and grading of such commodities and the containers used for shipping them which by their restrictions establish barriers to interstate commerce. There are other State laws relating to the licensing and taxing of motor trucks and the weight of the load which can be carried on them, which have, in some instances, adversely affected the free movement of these commodities.

State Standardization, Grading, Branding, and Inspection Laws

Practically all the States have enacted one or more laws pertaining to the standardization, grading, branding, and inspection of fruits, vegetables, and certain other products. There is general agreement among students of marketing that such laws and regulations pertaining thereto perform an important service in

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the market distribution process. However, in studying the laws and regulations it soon becomes apparent that non-uniformity as among States is a potential source of some annoyances and hindrances to trade in such products.

In the matter of the adoption of official standards, most States use Federal standards and grades as a basis for packing fresh fruits and vegetables. However, a few States prefer to use some State grades as a basis for packing products for shipment which naturally causes more or less confusion among wholesale tradesmen. The outstanding example of this variation is that most of the Eastern States use the U. S. Standards as a basis for packing apples, whereas the Western States pack most of their apples on the basis of State grades which differ somewhat in certain respects.

The compulsory features of some State laws tend to create confusion among tradesmen. In many States the laws require compulsory grading of certain products in accordance with the official standards, whereas in others, no such provisions and laws exist. Three States which are a considerable distance from their markets have enacted general standardization laws that contain minimum standards which certain products must meet before they can be sold or shipped. These laws require compulsory grading in accordance with minimum standards but not in accordance with official U. S. Standards and of course are intended to prevent

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the shipment of low quality products out of the State as well as restrict shipment of low quality products into these States from other States. As a further hindrance to the free interchange of products between States, one of these States requires that truckmen make the produce available for inspection at the State line.

Variations in marking requirements for containers of fruits and vegetables in various States cause considerable confusion in the minds of the tradesmen and may be considered an annoyance in the free movement of produce. The general standardization laws of about 12 States for example, require that containers of all fruits and vegetables bear certain marking including the grade designation. The general standardization laws of about 20 States do not specify any definite marking requirements to be shown on packages but authorize enforcing officers to adopt rules and regulations prescribing the markings to be shown. Obviously, there is lack of uniformity among State officials in prescribing such requirements. A large number of special laws governing the grading and standardization of individual products have also been enacted in the various States and these lack uniformity, for example 16 States have special apple-grading laws and the laws of 13 States require the grade designation to be shown on the packages of apples, whereas the laws of 3 States do not.

Certain States have enacted laws for the purpose of regulating the quality of products shipped in from other States. For

example, one State standardization law requires that fruits and vegetables shipped into the State be packed and marked in accordance with the official U. S. Standards, and in lieu of such markings, all packages shall be marked "ungraded" or "grower's grade." Such a law is an inconvenience and a source of extra expense to the distributor as a large portion of the products shipped into the State is not marked as to grade or packed in accordance with the requirements of Federal standards. The distributor of such products is forced to keep a rubber stamp on hand to mark such packages "ungraded" or "grower's grade;" in order to comply with law requirements. Another Southern State has a similar law that requires products shipped into the State to be marked in accordance with the official U. S. Standards. Authority is given to prohibit shipment into the State of farm products, fruits and vegetables that have not first been inspected and classified according to the rules and regulations. Existing regulations in this State also prohibit shipment of leafy and bunched vegetables unless they are graded in accordance with the U. S. grades and unless an official inspector's report shows that such products cannot be economically sorted to meet such grades.

From the inspection standpoint, a few States require that only local residents of the State can be hired for official inspection work or that local men with but little training be employed in preference to thoroughly trained experienced men from

other States. This may prove a serious handicap in the conduct of an efficient Inspection Service in these times when manpower is getting scarcer and scarcer.

It is not possible to estimate quantitatively how the non-uniformity in requirements of State legislation and the regulations imposed by such legislation will interfere with war production efforts. However, it is safe to say that laws which restrict the grade or quality of products coming into a State cause a great deal of confusion among tradesmen and taken as a whole, seriously interfere with the free movement of produce in interstate commerce.

Containers.

Many States have container laws on their statute books which, if strictly enforced, would prevent movement of fruits and vegetables into those States. Some of these laws or regulations relate to the type of containers, some of them to the capacities or dimensions, and others to marking or labelling containers.

Among the State laws and regulations which might interfere seriously with the war effort are those pertaining to labeling containers, particularly sacks used for potatoes. Certain States require sacks of potatoes to be stenciled with identifying information in such a way as to make the reuse of such sacks extremely difficult. Sacks with one grower's name and grade of potatoes would be wholly unsuited for use by another shipper. Such regulations requiring the permanent marking ^{of} sacks should undoubtedly be abandoned, at least during the period of emergency.

Certain States require containers for fruits and vegetables to carry a statement of contents in terms of weights, thus interfering with shipments in containers the contents of which are usually stated in terms of measure. Confusion is caused at times, generally by municipal officials, through the rigid enforcement of laws providing for sale by weight. Such rigid enforcement, particularly as to sales of potatoes, fails to take into account the inevitable shrinkage in weight which occurs during transit. It is believed that sale by weight in wholesale transactions contributes little to the efficiency of marketing practices especially where containers established by Federal law or well established by common usage are involved.

Confusion is sometimes caused also by rigid enforcement of State laws prescribing certain weights per bushel for fruits and vegetables. The weights fixed vary to a great extent in different States and apparently were based on a theoretically heaped bushel. A bushel is a unit of volume and any attempt to define a unit of volume in terms of weight is, of course, unscientific and unsound. The U. S. Standard Container Act of 1928 is a weights and measure act and, as such, affects intrastate as well as interstate commerce. It is the view of the Department that, Congress having legislated on the subject and established standard bushel baskets and hampers, these State weight per bushel laws are inoperative as applied to fruits and vegetables moving in these containers.

In other respects, the State laws or regulations pertaining to containers for fruits and vegetables are merely potential sources of confusion and interference with interstate movement. While certain States have laws or regulations establishing standards for containers, there is almost complete lack of standardization of crates, boxes, cartons, and sacks used for these products. Some idea of the confusion in this field is reflected in the tariffs issued by the Freight Container Bureau of the Associations of American Railroads. These tariffs authorize the use of over 400 different sizes of cartons, crates, and boxes which the trade, particularly the shippers, have come to realize constitute an unjustifiable burden on the fruit and vegetable industry. At meetings of shippers held this year, recommendations have been adopted which if put into effect would reduce the number of containers authorized by the railroads to between 125-150 sizes. Hearings have been held by the Freight Container Bureau to determine how many of the recommended eliminations can be made effective. It is expected that a report on these hearings in the form of supplements to the tariffs will be issued some time in the late summer.

The considerations given to the possibility of simplifying containers leads to the conclusion that while a good beginning has been made, further simplification and standardization could and should be contemplated, and further that, to be most effective,

such simplification should be under the supervision of some centralized regulatory authority in order that the program might be effective to those containers and shipments which move by motor truck and thus do not come under the authority of the railroads.

, A reduction in the number of sizes of containers would make for maximum efficiency of time and labor in the production of the containers themselves and in the marketing and distribution of the products packed therein. It is also conceivable that through increasing the efficiency of manufacturing and distribution, certain economies could be effected in the use of essential materials such as suitable box timber, wire nails, etc.

Motor Trucks

It is hardly within my province to discuss regulations affecting motor trucks. However, it seems worth while to mention that in connection with our work in the administration of the Perishable Agricultural Commodities Act we occasionally receive complaints from licensees that they have been arrested and thrown into jail, charged with traveling State highways with an excess weight. Apparently in such cases the arresting officer has refused to let the offender proceed with his load of perishables after having removed the excess weight. This, of course, results in a waste of good food.

Suggestions

As has been indicated, if all of the State laws and regulations were strictly enforced, there would be great interference with the free movement of fruits and vegetables in interstate commerce. As a measure of contribution to winning the war, we suggest that for the duration at least, the administration of such State legislation be modified wherever the laws authorize administrative discretion, or that such laws be suspended or repealed through the necessary legislative process.

